



## LAND ACQUISITION APPLICANT'S

### DISCLOSURE AND CERTIFICATION STATEMENTS FOR PURCHASE AGREEMENTS AND OPTIONS

*This information is required by authority of Part 19 of Act 451 of 1994, as amended.*

This document is for use by local governments that intend to submit an application to the Department of Natural Resources (DNR) for a Michigan Natural Resources Trust Fund (MNRTF) land acquisition grant. This document is required if the local government and the landowner choose to enter into a purchase agreement or option prior to submitting a grant application or at any time prior to being recommended for a grant by the MNRTF Board or being approved by the DNR to proceed with a grant-funded acquisition.

This document must be reviewed, completed and signed by both the local government and the landowner(s) **BEFORE** an agreement or option is executed, or the land is ineligible for MNRTF assistance. The local government is responsible for submitting this completed document and a copy of any executed purchase agreement or option to the DNR. A separate "Disclosure and Certification" document is needed for each parcel.

#### SECTION A: PROJECT DESCRIPTION (to be completed by the local government)

1. Local Government pursuing the acquisition: \_\_\_\_\_
2. Name of Local Government's Representative: \_\_\_\_\_
3. Brief description of the real property: \_\_\_\_\_
4. Purpose of the acquisition: \_\_\_\_\_
5. Acreage to be acquired: \_\_\_\_\_
6. County of the real property: \_\_\_\_\_
7. Owner(s) of the real property based on title records:
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_

#### SECTION B: LEGAL DESCRIPTION (to be completed by the local government)

A legal description for the real property must be attached to this document and reviewed by the landowner(s) and local government before this document is signed.

#### SECTION C: DESCRIPTION OF THE MNRTF PROGRAM

The following is a summary of the MNRTF program. Detailed written information regarding application requirements and grant procedures are available from the DNR's Grants Management.

##### Application Process

The MNRTF provides grant assistance to local governments and the DNR to acquire land for resource protection and public outdoor recreation. To be eligible for consideration, a local government must submit a complete grant application by an established deadline and the application must meet a number of eligibility requirements. Eligible applications are evaluated by the DNR's Grants Management using written program criteria. Final grant recommendations are made by the MNRTF Board of Trustees and are subject to legislative approval and appropriation of funds. Based on funding limitations, more eligible, good-quality applications are received each year than can be approved for a grant.

### **Acquisition Procedures and Timing**

For local governments recommended to receive an MNRTF land acquisition grant, closing on the property cannot take place until: 1) an appropriation for the project has been approved by the Legislature; 2) the local government (grantee) executes a project agreement with the DNR; and 3) the grantee completes specific steps outlined in the project agreement and DNR procedures. In combination, these steps may take 18 months or more from the date the application is submitted.

After a project agreement has been executed, the grantee is required to submit one or two current appraisals of the property that have been completed in accordance with DNR standards. The appraisal(s) are reviewed by the DNR to determine the fair market value of the property for the purposes of the MNRTF grant. The DNR's decisions regarding whether the appraisal meets DNR standards and the fair market value of the property are final and there is no formal appeal process. Before closing on the property, the grantee is required to disclose the DNR-approved fair market value of the property to the landowner. If the grantee and the landowner agree to a purchase price lower than the approved fair market value, the landowner will be asked to sign a "Waiver of Just Compensation."

To receive grant funds, the grantee must close on the property, make payment to the landowner and seek reimbursement from the DNR. Grant applicants make a commitment to cover a percentage (at least 25 percent) of the total project cost as local match. The maximum grant amount is set in the project agreement. If the approved MNRTF grant amount and applicant's match commitment are insufficient to cover the fair market value of the property, the local government will need to cover any additional costs with local funds or withdraw their grant request. Grant amounts will not be increased; however, the grant amount will be reduced if the total eligible costs incurred by the grantee are less than the total costs outlined in the approved grant application.

### **Purchase Agreements or Options**

It is entirely within the discretion of the local government and the landowner to enter into a purchase agreement or option for a property for which the government intends to seek an MNRTF grant. The DNR and MNRTF Board do not require nor encourage purchase agreements or options. Given the uncertainty that a grant application will be approved for funding and the time lag between the grant application deadline and a grant award being made, the DNR and the MNRTF Board recommends that caution be taken when entering into agreements or options.

### **SECTION D: DEPARTMENT OF NATURAL RESOURCES AND MNRTF BOARD DISCLOSURES**

In addition to the information presented in the description of the MNRTF program contained on this document, the DNR and MNRTF Board make the following disclosures:

1. Neither is a party to nor have they reviewed or approved any proposed purchase agreement or option.
2. Neither has an obligation to take into consideration the presence of a purchase agreement or option when making a grant recommendation. If a grant is recommended for funding:
  - a. Neither has an obligation to take into consideration the purchase price set forth in a purchase agreement or option when determining the grant award amount or the fair market value of the property to be acquired.
  - b. If the price set forth in the agreement or option is less than the DNR-approved fair market value, the landowner will be required to sign a "Waiver of Just Compensation" at the time of the acquisition for the local government to be eligible to seek reimbursement from the DNR.
  - c. If the price set forth in the agreement or option is in excess of the DNR-approved fair market value and/or the grant amount and applicant's match commitment, the local government is solely responsible for the additional costs.
3. Neither has an obligation to abide by or accommodate any proposed purchase dates set forth in a purchase agreement or option.
4. Costs of a purchase agreement or option, including any down payment, incurred prior to the DNR approving the local government to proceed with a grant-funded acquisition are NOT eligible for grant reimbursement.
5. Neither the DNR, the Department of Management and Budget, nor the Michigan Legislature has an obligation to consider the presence of a purchase agreement or option in the appropriations process.

**SECTION E: LOCAL GOVERNMENT'S CERTIFICATION**

**BY SIGNING THIS DOCUMENT THE LOCAL GOVERNMENT HEREBY CERTIFIES THE FOLLOWING:**

1. It is the intent of this local government to submit an MNRTF grant application to the DNR for the above-described real property as further described below:
  - a. An MNRTF application will be submitted as of the following application deadline: \_\_\_\_\_
  - b. The grant application will include a total estimated project cost of: \$ \_\_\_\_\_
  - c. The grant application will include a local match commitment as described below:

<div style="margin-bottom: 5px;"><b>%</b></div> <div style="margin-bottom: 5px;">_____ (% of total project costs)</div>	<div style="margin-bottom: 5px;"><b>\$</b></div> <div style="margin-bottom: 5px;">_____ (amount of local match)</div>	Sources of local match: _____
---	---	-------------------------------
  - d. The grant application will request a grant amount of: \$ \_\_\_\_\_
2. We cannot and have not made any guarantees or indications to the landowner that grant funds may be approved or the amount of funds that may be approved. We understand that the presence and content of any purchase agreement or option entered into between the landowner and this local government has no bearing whatsoever on evaluation of the grant application and the decisions of the MNRTF Board to approve a grant or on the grant amount approved.
3. This document was executed prior to the execution of any purchase agreement or option.

**SIGNATURE OF LOCAL GOVERNMENT REPRESENTATIVE:**

\_\_\_\_\_  
Local Government Representative

\_\_\_\_\_  
Date

**SECTION F: LANDOWNER'S CERTIFICATION**

**BY SIGNING THIS DOCUMENT, THE LANDOWNER(S) HEREBY CERTIFIES THE FOLLOWING:**

1. I have reviewed this document after it has been completed by the local government and understand the certifications made by the local government.
2. I understand the MNRTF program as described in this document and have been given the opportunity to review the MNRTF application instructions and project completion procedures. I understand that my willingness to enter into a purchase agreement or option for property is within my discretion, and the presence and content of any agreement or option has no bearing whatsoever on evaluation of the grant application and the decisions of the MNRTF Board to recommend a grant or on the grant amount that is recommended.

**LANDOWNER(S) SIGNATURES:** (if more than three landowners, attach additional sheets)

\_\_\_\_\_  
a) Landowner or Owner's Legal Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
b) Landowner or Owner's Legal Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
c) Landowner or Owner's Legal Representative

\_\_\_\_\_  
Date

**Submit this document with a copy of any executed purchase agreement or option to:**

**GRANTS MANAGEMENT  
MICHIGAN DEPARTMENT OF NATURAL RESOURCES  
PO BOX 30425  
LANSING MI 48909-7925**